

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 378 – SB 605

March 20, 2013

SUMMARY OF ORIGINAL BILL: Authorizes the Department of Economic and Community Development (ECD) to reduce the amount of money, grants, funds, or other incentives disbursed by the Department to any legal entity if such entity fails to create jobs as proposed in the entity's application for such money, grants, funds, or other incentives.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (004898): Replaces the effective date section of the bill making the bill as amended applicable to contracts entered into or renewed on or after July 1, 2013; grants awarded by the Department on or after July 1, 2013; and to the disbursement of any money, funds, or other incentives approved by ECD on or after July 1, 2013.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The Department will include a provision in all of its future contracts reserving the right to reduce payments to a grantee for failure to create the jobs proposed in the grantee's application.
- The Department is currently in the process of implementing accountability agreements as requirements in some of its incentive grants.
- To the extent money, grants, funds, or other incentives are withheld from certain entities as a direct result of this bill, such money, grants, funds, and other incentives of equal amounts will be distributed to other qualified applicants. Any net change to the amount of funds or incentives distributed is estimated to be not significant.
- Authorizing the Department to implement such accountability agreements in all of its contracts will not result in a significant fiscal impact to the Department and can be accommodated within existing resources without an increased appropriation or a reduced reversion.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first and last names being more prominent.

Lucian D. Geise, Executive Director

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